GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Municipal Administration & Urban Development Department – Construction of 3800 ML Summer Storage Tank at Guntakal Municipality- Price adjustment for the work done by M/s. Engineering Projects (India) Limited – Permission – Accorded.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (BUDGET) DEPARTMENT

G.O.MS.No. 337 **Dated: 14-09-2017**

Read the following:-

1. G.O.Rt.No. 991, M.A. & U.D. Dept., dated 08.08.2007.
2. G.O.Rt.No. 1257, M.A. & U.D. Dept., dated 01.09.2008.
3. G.O.Rt.No. 621, M.A. & U.D. (K1) Dept., dated 25.05.2011.
4. From the Engineer-in-Chief, Public Health, A.P., Hyderabad, letter No.1547/T5-GNKL/SS Tank/2008, Dated 16.04.2013 & 01.06.2013.
5. From the Chief Engineer, Public Health, A.P., Guntur, letter No.1547/T5-GNKL/SS Tank/2008, dated 27.07.2016.

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O R D E R:

In the reference 1st read above, Government had sanctioned 2000 ML Capacity additional Summer Storage Tank for Guntakal Municipality at a cost of Rs. 33.07 Crores with the HUDCO Assistance. M/s. Engineering Projects (India) Limited got the award and entered into agreement on 23.11.2007. Since the work could not be executed due to realignment of land and increased capacity of tank from 2000 ML to 3800 ML, revised administrative sanction was accorded vide reference 2nd read above. The project cost was enhanced from Rs.33.07 Crore to Rs. 56.49 Crores as per the same SSR Rates of 2007-2008. The Project was again awarded to the same Agency with the IBM of Rs.43.17 Crores. The Agency has entered into Agreement vide Agreement No: 66/2008-2009, dated 02.01.2009 with same terms and conditions as were in the original Agreement, but with additional project period of 13 months. Ac.128.24 Cents were handed over to the Agency in April 2009. S.S Tank was completed in the extended time and the water was impounded during May, 2010.

2. After completion of the work, the Agency had claimed additional cost of Rs.568.50 lakhs (Rs.426.91 lakhs for the work + Rs.141.59 lakhs for sand procurement) as per SSR rates of 2008-09 instead of 2007-08 SSR Rates adopted in the agreement duly considering the additional costs incurred due to revision of scope of work, delay in land acquisition and procurement of sand.

3. In the reference 3rd read above, Government had constituted a Committee to examine the representation of the Agency for additional claims and the said Committee had recommended for payment of Rs.426.91 lakhs as compensation and Rs.141.59 lakhs for procurement of sand due to change in approved quarries of the Government duly mentioning that the additional claim will be the full and final settlement of all the claims of the Agency.

(P.T.O)

4. In the reference 4th read above, the Engineer-in-Chief, Public Health has stated that the Agency had executed the project as per the Tender Agreement where the Agency had agreed to execute the project with revised scope of work adopting the same 2007-08 SSR Rates. He has recommended not to allow 2008-09 SSR Rates, but to accord only price adjustment as per the Agreement conditions.

5. M/s. Engineering Projects (India) Ltd., Hyderabad has again represented the Government to consider the SSR Rates of 2008-2009 due to increase in quantity sand and other material used for the works executed in the Guntakal Summer Storage Tank and requested to approve the recommendations of the Committee. The Chief Engineer, Public Health, A.P., Guntur to whom the matter was referred, has vide reference 5th read above stated that the cost implication involved in adopting the difference in the SSR Rates of 2008-2009 and 2007-2008 for the items actually executed due to change in scope of work and delay in land acquisition were worked out and arrived at Rs.345.47 Lakhs. With regard to claim of extra cost on sand, it has been stated that a minimum lead of 67 Km is considered for procurement of total quantity of sand i.e., 87383 QM which was actually utilized for the work. Whereas the Agency had produced Seignorage slips for a quantity of 1,01,054 QM of sand. The additional financial implication for procurement of sand works out to Rs.68.47 lakhs. He has therefore requested the Government to take a decision in the matter.

6. Government, after due deliberations with the advisory departments and careful examination of the matter, hereby accord permission to the Engineer-in-Chief, Public Health, A.P., Guntur to allow price adjustments by adopting SSR Rates of 2008-09 for the works executed towards construction of 3800 ML Summer Storage Tank at Guntakal Municipality and also allow 67 kilometres as lead for the quantity of sand i.e., 87383 QM as worked by the Chief Engineer Public Health, A.P., Guntur in the reference 5th read above, to M/s.Engineering Projects (India) Limited.

7. This order issues with the concurrence of Finance (FMU.I&I, EF & MA) Department vide their U.O.No.44027/123/2017-FMU-I,E,M dated 08.09.2017.

8. The Engineer-in-Chief, Public Health, A.P., Guntur shall take necessary further action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.KARIKAL VALAVEN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Engineer-in-Chief, Public Health, A.P., Guntur.
Copy to:
The Director of Works, A.P., Vijayawada.
The Accountant General, A.P., Hyderabad.
The O.S.D. to Spl.Chief Secretary to Hon'ble C.M.
The O.S.D. to Hon'ble Minister (MA&UD).
The P.S. to Prl.Secretary to Govt., MA & UD Dept.
The General Administration (Cabinet) Dept.
SF/SCs.

// FORWARDED :: BY ORDER //

SECTION OFFICER